

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 14, 2009

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 *et seq.*, Hayes-Yorktown 230 kV transmission line

CASE NO. PUE-2009-00079

2009 SEP 14 P 4: 16
REGISTRATION OFFICE
COMMONWEALTH OF VIRGINIA

ORDER FOR NOTICE AND HEARING

On July 1, 2009, Virginia Electric and Power Company ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application for a certificate of public convenience and necessity to construct and operate a 230 kV transmission line and associated facilities in York and Gloucester Counties. Prepared testimony, exhibits, copies of correspondence, and other material were attached to the application.

The Company proposes to build a new 230 kV transmission line approximately 8.0 miles long between the Yorktown Power Station and Hayes Substation. The proposed new 230 kV line will consist of approximately 4.2 miles of overhead line from the Company's existing Hayes Substation in Gloucester County to a new overhead-to-underground transition station ("Gaines Point Terminal Station"), located on the Gloucester County side of the York River at Gaines Point; the Gaines Point Terminal Station; and approximately 3.8 miles of underground line from Gaines Point Terminal Station under the York River to an existing 230 kV switchyard ("Yorktown Switchyard") at the Yorktown Power Station in York County.

The line is expected to be in service June 1, 2012. The total projected cost of the project is approximately \$62.7 million. The estimated cost of the transmission line is approximately \$57.2 million, which includes approximately \$8.4 million for the estimated cost of the overhead portion of the transmission line, approximately \$47.5 million for the estimated cost of the

underground portion of the transmission line and approximately \$1.3 million for construction of the Gaines Point Terminal Station.

The Company indicates that the transmission line is needed to address reliability concerns beginning in the summer of 2012. In addition, the Company states that the proposed line is needed to provide continued reliable service in the Middle Peninsula area of Virginia, including Gloucester, Mathews, New Kent, King William, King and Queen, and Middlesex Counties, consistent with mandatory North American Electric Reliability Corporation Reliability Standards for transmission facilities and the Company's planning criteria. A description of the proposed route appears in Ordering Paragraph (12) of this Order, and a sketch map of the routes may be found in the Appendix to the Company's application, Attachment V.A.

As provided by §62.1-44.15:21 D 2 of the Code of Virginia ("Code"), the Commission and the State Water Control Board must consult on wetland impacts prior to the siting of electric utility facilities that require a certificate of public convenience and necessity. In accordance with the Department of Environmental Quality ("DEQ") State Corporation Commission Memorandum of Agreement Regarding Consultation on Wetland Impacts (July 2003) (hereinafter, "Wetland Impacts Memorandum"), entered into pursuant to § 62.1-44.15:21 D 2 of the Code, DEQ, acting on behalf of the State Water Control Board, advised the Company that DEQ's Office of Wetlands and Water Protection ("OWWP") had reviewed the transmission line project.¹ OWWP directed that "prior to commencing project work, all wetlands and streams within the project corridor should be field delineated and verified by the U.S. Army Corps of Engineers (the Corps), using accepted methods and procedures." The Company indicated that it would follow that directive along with any other recommendations to minimize impacts.

¹ Letter from Michelle Henicheck, Department of Environmental Quality, of May 18, 2009, to Gail Lamm, filed with the Application as Attachment 2.D.2 of the DEQ Supplement.

OWWP further indicated that if the project qualifies for a Nationwide Permit 12 ("NWP 12") from the Corps and if the impacts to streams are less than 1500 linear feet, then no Virginia Water Protection ("VWP") permit is necessary. However, if (a) stream impacts exceed the thresholds outlined above; (b) the project proposes to permanently impact more than one-half (1/2) acre of wetlands; or (c) the project does not qualify for a NWP 12 from the Corps, then a VWP permit will be required from DEQ.

Section 56-46.1 of the Code provides for the Commission to receive and to consider reports on the proposed facilities from state environmental agencies. The Commission Staff has formally advised the DEQ of the Company's filed application for the Project and requested that the DEQ coordinate an environmental review.² DEQ has informed the Commission Staff that it would coordinate a review of the environmental impact of the proposed transmission line and provide a report to the Commission on or before October 1, 2009.³

NOW THE COMMISSION, having considered the matter, finds that as provided by §§ 56-46.1, 56-265.2, and related provisions of the Code, this matter should be docketed and that the Company should give notice of its application to interested persons and the public. The Commission further finds that, as required by § 62.1-44.15:21 D 2 of the Code, consultation on wetland impacts has concluded, and the DEQ has commenced its coordinated environmental review of the proposed transmission line. The Commission will therefore establish a procedural schedule for the filing of comments and notices of participation, and schedule a hearing on the

² Letter from Frederick D. Ochsenhirt, State Corporation Commission, of July 20, 2009, to Michael P. Murphy, Department of Environmental Quality, filed in Case No. PUE-2009-00049, Doc. Con. Cen. No. 415122.

³ Letter from Ellie Irons, Department of Environmental Quality, of August 3, 2009, to Frederick D. Ochsenhirt, State Corporation Commission, filed in Case No. PUE-2009-00049, Doc. Con. Cen. No. 417477.

application. We will also direct the Commission Staff to investigate the application and to file testimony and exhibits on the results of its investigation.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-265.2, and other related provisions of Title 56 of the Code, this matter be docketed as Case No. PUE-2009-00049 and all associated papers be filed therein.

(2) As provided by § 12.1-31 of the Code and the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-120, Procedure before hearing examiners, a Hearing Examiner be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) A public hearing on the application shall be held at 10:00 a.m. on February 9, 2010, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any Respondents, and the Staff.

(4) As provided by the Rules of Practice, 5 VAC 5-20-80 C, Public witnesses, written comments on the application may be filed, on or before February 2, 2010, by either of the following methods:

A. Comments may be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Compact discs or any other form of electronic storage medium may not be filed with comments. All correspondence and comments shall refer to Case No. PUE-2009-00049.

B. Comments may be submitted electronically by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/case>.

(5) On or before October 26, 2009, any person or entity may file with the Commission Clerk, at the mailing address provided in Ordering Paragraph (4) A, an original and fifteen (15) copies of a notice of participation as a respondent as required by the Rules of Practice, 5 VAC 5-20-80 B, Participation as a respondent. A copy shall simultaneously be served on counsel to the Company, Lisa S. Booth, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia, 23219. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, Filing and service, and 5 VAC 5-20-150, Copies and format. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by the Rules of Practice, 5 VAC 5-20-30, Counsel.

(6) Within five (5) business days of receipt of a notice of participation as a respondent as required by Ordering Paragraph (5), the Company shall serve upon the respondent a copy of this Order and a copy of the application and the Company's direct testimony and exhibits, unless these materials have already been provided to the respondent.

(7) On or before November 12, 2009, each respondent may file with the Commission Clerk an original and fifteen (15) copies of the testimony and exhibits by which it expects to establish its case and serve a copy of the testimony and exhibits on the Company and all other parties in this case. Respondents shall comply with the Rules of Practice, 5 VAC 5-20-140, Filing and service, 5 VAC 5-20-150, Copies and format, and 5 VAC 5-20-240, Prepared testimony and exhibits.

(8) As provided by the Rules of Practice, 5 VAC 5-20-80 D, Commission staff, Staff shall participate in this proceeding and conduct an investigation of the Company's application. On or before December 1, 2009, the Staff shall file with the Commission Clerk the report and exhibits it intends to present at the hearing.

(9) On or before December 22, 2009, the Company may file with the Commission Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it expects to offer and shall serve a copy on all parties and the Staff.

(10) On or before September 25, 2009, the Company shall serve a copy of this Order on the chairmen of the boards of supervisors of York County and Gloucester County and the mayor of every city and town through which the proposed transmission line is to be built. Service shall be made by first class mail or delivery to the customary place of business of the person served.

(11) On or before September 25, 2009, the Company shall cause to be sent by first class mail a copy of the notice and sketch map prescribed in Ordering Paragraph (12) of this Order to all owners of property within the route of the proposed line, as indicated on the map or sketch of the route filed with the Commission, which requirement shall be satisfied by mailing to such persons at such addresses as are indicated in the land books maintained by the commissioner of revenue, director of finance, or treasurer of the county or municipality.

(12) On or before September 25, 2009, the Company shall publish in two (2) successive weeks the following notice and the sketch map of the proposed route appearing in Attachment V.A of the Appendix to the Application, as display advertising (not classified) in a newspaper or newspapers of general circulation in York County and Gloucester County:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
VIRGINIA ELECTRIC AND POWER COMPANY
FOR APPROVAL OF A TRANSMISSION LINE
IN YORK COUNTY AND
GLOUCESTER COUNTY, VIRGINIA
CASE NO. PUE-2009-00049

On July 1, 2009, Virginia Electric and Power Company ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application for a certificate of public convenience and necessity to construct and operate a 230 kV transmission line and associated facilities in York

and Gloucester Counties. Prepared testimony; exhibits; copies of correspondence; and other material were attached to the application.

The Company proposes to build a new 230 kV transmission line approximately 8.0 miles long between the Yorktown Power Station and Hayes Substation and a terminal station to address reliability concerns beginning in the summer of 2012 and to provide continued reliable service in the Middle Peninsula area of Virginia, including Gloucester, Mathews, New Kent, King William, King and Queen, and Middlesex Counties. The line is expected to be in service June 1, 2012. The total projected cost of the project is approximately \$62.7 million.

The following provides a detailed description of the proposed route:

The transmission line begins at the Hayes Substation in Gloucester County, which is 643 feet north of Guinea Road. The substation driveway off Guinea Road is 1457 feet east of Route 17. The line extends south from Hayes Substation 138 feet. It turns northeast for 2150 feet. It then turns southeast and crosses Low Ground Road 1775 feet north of its intersection with Guinea Road. The line continues southeast 1434 feet. It then turns slightly northeast and crosses Fishermans Landing Lane 2900 feet north of its intersection with Guinea Road. It continues northeast and crosses Heywood Lane 2867 feet north of its intersection with Guinea Road. It turns southeast 665 feet east of Heywood Lane and crosses Guinea Road 1262 feet northeast of Mark Pine Road. The line continues southeast 4180 feet. It then turns southwest for 1392 feet and crosses Cuba Road 443 feet west of Brown Lane. The line turns slightly southeast for 2198 feet to the shoreline of the York River. The Gaines Point Terminal Station will be located in the vicinity of the angle south of Cuba Road. The line will be underground from the terminal station to the Yorktown Substation. The line extends 3.8 miles from the Gaines Point Terminal Station across the York River and will be underground on Virginia Electric and Power Company's Yorktown Power Station property until it terminates at the Yorktown Switchyard in York County.

All distances and directions are approximate. A sketch map of the proposed route accompanies this notice. The Commission may consider a route not significantly different from the route described in this notice without additional notice to the public.

The Company's application, Commission orders, and all documents filed in Case No. PUE-2009-00049 may be inspected in the Commission's Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, during Commission business hours. The application, unofficial text of the Commission's orders, and other materials in Case No. PUE-2009-00049 may be viewed at the Commission's website: <http://www.scc.virginia.gov/case>.

Copies of the application and other supporting materials may also be inspected during regular business hours at the following locations:

Dominion Virginia Power
One James River Plaza, 12th floor
701 East Cary Street
Richmond, VA 23219
Attn: Gail Lamm

Gloucester County
Planning Department
6582 Main Street
Gloucester, VA 23061

York County
Planning Division
224 Ballard Street
Yorktown, VA 23690-0532

The application and all supporting materials are also available on the Company's website at:
<http://www.dom.com/about/electric-transmission/hayes/index.jsp>.

Comments may be submitted in writing, on or before February 2, 2010, to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Diskettes, compact disks, or any other form of electronic storage medium may not be filed with comments. All correspondence shall refer to Case No. PUE-2009-00049.

OR

Comments may be submitted electronically, on or before February 2, 2010, by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/case>.

Persons commenting electronically need not file comments in writing with the Clerk.

A public hearing on the application shall be held at 10:00 a.m. on February 9, 2010, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff.

On or before October 26, 2009, any person or entity may file with the Commission Clerk, at the mailing address provided above, an original and fifteen (15) copies of a notice of participation as a respondent as required by the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-80 B, Participation as a respondent. A copy shall simultaneously be served on counsel to the Company, Lisa S. Booth, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia, 23219. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, Filing and service, and 5 VAC 5-20-150, Copies and format. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by the Rules of Practice, 5 VAC 5-20-30, Counsel.

On or before November 12, 2009, each respondent may file with the Commission Clerk an original and fifteen (15) copies of the testimony and exhibits by which it expects to establish its case and serve a copy of the testimony and exhibits on all other parties in this case. Respondents shall comply with the Rules of Practice, 5 VAC 5-20-140, Filing and service, 5 VAC 5-20-150, Copies and format, and 5 VAC 5-20-240, Prepared testimony and exhibits.

The Commission's Rules of Practice, the unofficial version of the Commission's Order for Notice and Hearing, and other information maybe viewed at: <http://www.scc.virginia.gov/case>.

VIRGINIA ELECTRIC AND POWER COMPANY

(13) On or before October 23, 2009, the Company shall file with the Commission Clerk proof of service as prescribed by Ordering Paragraph (10). The certificate shall include the name and address of the officials served.

(14) On or before October 23, 2009, the Company shall file with the Commission Clerk a certificate of mailing of the notice to owners of property prescribed by Ordering Paragraph (11). The certificate shall not include the names and addresses of the owners of property served, but the Company shall maintain a record of this information.

(15) On or before October 23, 2009, the Company shall file with the Commission Clerk proof of the newspaper publication directed by Ordering Paragraph (12).

(16) The Company shall respond to written interrogatories or data requests within ten (10) business days after receipt of same. Except as modified, discovery shall be in accordance with the Rules of Practice.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Lisa S. Booth, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia, 23219; C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; and the Commission's Office of General Counsel and Division of Energy Regulation.